

Recent Tank Programs Division Developments

June 2005

IN THIS ISSUE

- **Financial Responsibility - All Owners Must Have It**
- **The Municipal Tank Closure Program Can Help Communities Rid Themselves of Abandoned USTs**
- **Route 66 Initiative**
- **Tier 2 Risk Evaluation Software**
- **Most Common Violations Found During UST Facility Inspections**
- **Document Submittal Form**
- **Upcoming Events**
- **SAF Rules Update**
- **Important Dates for SAF**

Web site: www.azdeq.gov/environ/ust/index.html

SEND US YOUR E-MAIL

The USTNews newsletter and other correspondence can be delivered to you by e-mail. If you would like to be on the e-mail list, please provide your e-mail address at: <http://www.azdeq.gov/environ/ust/outreach/index.html>.

You may also contact Cynthia Miller at (602) 771-4321 or (800) 234-5677 Ext. 771-4321.

hopes all owners will have FR, ADEQ intends to seek full compliance by using a range of its authorities, including more formal enforcement, if necessary, on a case-specific basis.

If you have questions or want more information, please call ADEQ's UST Financial Responsibility Coordinator, Maria Rodriguez, at (602) 771-2214, or at (800) 234-5677 Ext. 771-2214, or by e-mail at: mmr@azdeq.gov. You may also find more information on ADEQ's Web site at: www.azdeq.gov/environ/ust/fr.html.

Financial Responsibility - All Owners Must Have It

Owners of operating petroleum underground storage tanks (USTs) or open leaking petroleum USTs (LUSTs) should be aware that they are required to have the monetary means to handle the costs of corrective actions and third-party liability claims related to releases from their UST systems. This obligation is called Financial Responsibility (FR), and it is both a federal and state requirement. Among the many FR mechanisms allowed, UST pollution liability insurance is the most commonly selected option. UST owners and operators may want to contact their insurance agent or broker to evaluate coverages and costs.

Although the State Assurance Fund (SAF) currently covers up to the first \$500,000 of eligible corrective action costs, it does not provide for complete compliance with FR requirements. Furthermore, the SAF cannot be accessed for releases reported after June 30, 2006, which means that UST owners will be totally dependent on their FR mechanisms to pay for needed corrective actions.

Beginning in June 2003, ADEQ enhanced its outreach efforts to inform UST owners of the FR requirement. These efforts include contacting owners without FR, or asking for FR documentation during UST inspections. As of May 1, 2005, more than 75% of 804 facilities inspected have demonstrated FR compliance. Although ADEQ

The Municipal Tank Closure Program Can Help Communities Rid Themselves of Abandoned USTs

The County and Municipal Tank Closure Program (MTCP) was established statutorily in August 2001, and approximately \$2.4 million was originally directed by the legislature to fund it. The program focuses on removing abandoned or "orphan" underground storage tanks (USTs) on properties in incorporated cities or towns with populations of less than 15,000, and in unincorporated areas of counties. These properties may once have been service stations or commercial businesses, and the abandoned USTs may well represent an environmental or economic "thorn" to effective use of the property.

The MTCP can help take such tanks out of the ground and clean up contamination at no cost to the property owner, the community, or the county. In fact, funding is available to reimburse the counties, cities or towns for MTCP application costs. This is a "win-win" program for the communities and ADEQ because the program addresses not only environmental and public safety, but the community also gains a more valuable property.

More than 150 cities, towns, or communities are currently qualified for the MTCP. To date, the agency has

reviewed applications from 18 communities, and removed 61 abandoned USTs.

To discuss the program or get a copy of the MTCP application, please contact Al Johnson at (602) 771-4268, or at (800) 234-5677 Ext. 771-4268, or by e-mail at: aej@azdeq.gov.

Route 66 Initiative

The Route 66 Initiative was designed to assist property owners in permanently closing abandoned underground storage tanks (USTs), and to assist UST owners, operators and volunteers in investigating and cleaning up UST releases before the termination of the State Assurance Fund. The following are the general objectives of the initiative:

- Identify and permanently close abandoned tanks; and identify releases through the Municipal Tank Closure Program (MTCP).
- Investigate, clean up and close leaking UST (LUST) sites before termination of the fund, if possible.
- Establish a good working relationship between ADEQ and stakeholders in the project areas.
- Communicate successes using various mechanisms.

Currently, the UST Program is working with the UST owners, operators and volunteers in the project areas of Holbrook and Winslow, to which a case manager has been assigned. A Web site for the Route 66 Initiative has been created on the ADEQ's Web site to communicate the activities and progress of the initiative. The Web site can be found at:

<http://www.azdeq.gov/environ/ust/66/index.html>

Tier 2 Risk Evaluation Software

ADEQ expects to provide its free underground storage tank (UST) Tier 2 risk assessment software in the very near future. When completed, the software will help owners conduct a more site specific risk evaluation of contamination from UST releases. Ultimately, this software will save owners money by helping in the design of a more cost effective approach to the investigation and cleanup of UST releases. ADEQ has enlisted the help of various stakeholders to test the software and is currently evaluating those results. The software has also been presented at a national conference where it was well received by state, federal and international industry professionals. For more information, please contact Jeanene Hanley, the Corrective Action Section's Senior Risk Assessor, at (602) 771-4314, or by e-mail: jph@azdeq.gov.

Most Common Violations Found During UST Facility Inspections

The UST inspectors have compiled a list to help owners and operators avoid the most common violations of ADEQ's requirements for operating USTs. Many of the violations determined during facility inspections involve failure to test system components on a periodic basis or failure to maintain test results, as listed below:

1. Failure to provide line leak detector results.
2. Failure to provide line tightness test results.
3. Failure to provide monthly release detection results.
4. Failure to document, calibrate and maintain the release detection system.
5. Failure to provide corrosion protection results six months after installation and every three years thereafter.
6. Failure to permanently close a UST system or request an extension before expiration of the initial temporary closure period of 12 months.

ADEQ maintains a current list of certified UST service providers who can assist you with meeting the regulatory requirements and avoiding violations. If you have questions about UST system operational compliance, or general questions about UST systems, please contact Nick Velasquez, Manager of the UST Inspections and Compliance Unit, at (602)-771-4315, or (800) 234-5677 Ext. 771-4315, or via e-mail at nlv@azdeq.gov.

Document Submittal Form

The Release Reporting and Corrective Action rules (effective August 20, 2002) require that certain underground storage tank (UST) documents submitted to ADEQ include a document submittal form [A.A.C. R18-12-264(A)]. The purpose of this form is to: properly identify documents that are being submitted; identify documents which require review; and to identify which case file the document belongs. If a document submittal form is not submitted with a document, the UST file room will notify the person responsible for submitting the document (UST owner, operator or volunteer) by fax or a telephone call.

ADEQ will not process the document until a document submittal form is received with the proper signature. This form may also be used when submitting other documents to the UST program to ensure that they are also directed to the proper person or case file.

Therefore, when submitting a document to the UST Program, please remember the following:

- The document submittal form needs to be used as the cover sheet for the document. If the form is included within the document or as an appendix, ADEQ may not know that a document submittal form is included, which will cause a delay in processing the document.
- Make sure that all applicable information is filled out on the form, especially the facility ID number, LUST case number, if applicable, and the type of document.
- The certification statement on the bottom of the form needs to be signed by the UST owner, operator or volunteer, and not by the environmental consultant. The person signing the form is certifying that only the documents with an asterisk are included.

TPD OUTREACH: Upcoming Events

October 12, 2005 - TPD Program Conference, 8:30 a.m. - 4:00 p.m., 1130 North 22nd Avenue, Phoenix, AZ

UST Policy Commission - UST Policy Commission information can be found at the ADEQ Tank Programs Division Web site:

<http://www.azdeq.gov/environ/ust/index.html>

SAF RULES UPDATE

The proposed SAF rules will be published by the Secretary of State and available for formal public comment early this summer.

Important Dates for the State Assurance Fund

During last year's legislative session, the Governor signed into law Senate Bill (SB) 1306. This bill includes some significant reform to the State Assurance Fund (SAF) that may impact many of our customers. Some of these changes are happening soon:

July 1, 2005

- ADEQ will use only one SAF cost schedule, and all previous cost schedules will be repealed.
- Cleanup volunteers will be required to be preapproved for SAF claims beyond \$100,000 at a single facility.

December 31, 2005

- ADEQ will not accept an SAF application for less than \$5,000, except in specific circumstances.

June 30, 2006

- Only releases from USTs that are reported on or before this date are eligible for SAF coverage. For all releases reported after this date, UST owners and operators will be responsible for all costs of corrective actions.

If you have questions about SB 1306 and the SAF changes coming soon, please contact:

Judy Navarrete

e-mail: navarrete.judy@azdeq.gov

(602) 771-4815, or you may call our toll free number: (800) 234-5677, Ext. 771-4815